

UK SHARED PROSPERITY FUND

1. RECOMMENDATIONS

1.1 It is recommended that the Cabinet: -

- a) notes the purpose of the UK Shared Prosperity Fund;
- b) endorses the priority themes for use of the Council's funding allocation; and
- c) Agree to delegate authority to the Chief Executive to submit the detailed Local Investment Plan for the Council to Government by 1st August 2022. in line with the publishes timescales.

2. PURPOSE OF THE REPORT

2.1 The purpose of this report is to set out the details of the UK Shared Prosperity Fund and outline the way the Council will allocate the funds.

3. INTRODUCTION

3.1 The government launched its UK Shared Prosperity Fund (UKSPF) Prospectus in April 2022 as part of its Levelling Up agenda. It provides £2.6 billion of funding intended to reduce inequalities between communities. The funding covers the three year period up to March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.

3.2 The UKSPF is in essence a replacement to the EU structural fund, and the £2.6 billion will be allocated in the first three years of the UKSPF as follows:

- £400 million allocated for 2022/23
- £700 million allocated for 2023/24
- £1.5 billion allocated for 2024/25.

3.3 The fund has been allocated to each local authority area and comprises a mix of revenue and capital funding. Authorities with a higher perceived levelling up need will receive funding earlier than those authorities with a lower perceived need.

3.4 The New Forest District Council received an allocation of £1 million and is required to submit a Local Investment Plan to Government by 1st August 2022. The majority of the Council's funding will be received in year 3; 2024/25.

3.5 The fund requires Council's to use the funding to address locally identified challenges and build on existing strengths to foster pride in their place and increasing life chances. The funding should complement other central government funds, and mainstream employment and skills provision to maximise impact and simplify delivery.

3.6 The aim of the UKSPF is intended to support the Government's wider Levelling Up agenda, in the following ways:

- Boost productivity, pay, jobs and living standards, especially in those places where they are lagging

- Spread opportunities and improve public services, especially in those places where they are weakest
 - Restore a sense of community, local pride and belonging, especially in those places where they have been lost
 - Empower local leaders and communities, especially in those places lacking local agency
- 3.7 The UKSPF will be guided by three investment priorities. Further information is included within appendix 1, but in summary these are:
- Communities and Places
 - Supporting Local Businesses
 - People and Skills
- 3.8 Local authorities will lead the delivery of this fund, and in Shire Counties, the core funding is allocated to Borough and District Councils. The lead Councils are tasked with managing, assessing and approving projects, processing payments and undertaking the day-to-day monitoring of projects. They can also decide whether to commission projects, run competitions or deliver programmes in house.
- 3.9 Lead authorities will be able to use funding in 2022/23 and 2023/24 for ‘Communities and Places’ and ‘Supporting Local Businesses’. The ‘People and Skills’ interventions will commence in 2024/25, and Councils are encouraged to collaborate with other stakeholders and local authorities to maximise the outcomes from this funding.
- 3.10 First payments to the local authority are expected from October 2022. All interventions should end by March 2025 (or have a break clause). An administration and evaluation top-slice of up to 4% of the total fund is permitted
- 3.11 The Government has also ring-fenced £559 million for the ‘Multiply programme’ intended to deliver the Government’s priority of improving adult numeracy. This part of the UKSPF will be managed by the Department of Education.

UKSPF Allocation for NFDC.

- 3.12 The funding per annum is broken down as follows, including an ‘indicative’ split of this funding broken down into Revenue and Capital:

Year	Allocation	Revenue	Capital (min)
2022/23	£90,544	£81,490	£9,054
2023/24	£181,087	£157,546	£23,541
2024/25	£728,369	£582,695	£145,674
Total	£1,000,000	£821,731	£178,269

- 3.13 As the table illustrates the allocation is largely revenue based, however there is a degree of flexibility and Councils may increase the proportion of capital in response to local identified need. Government has stipulated that a minimum of 10% of the overall allocation must be capital.
- 3.14 The Council is invited to set out the investment proposals for the area in line with the three priorities, there is not a requirement to identify projects for each priority. The plan needs to set out the desired local outcomes and the interventions that are intended to achieve these outcomes. Performance indicators and success measures

also need to be established and agreed with Government based on the investment plan so that Government can monitor progress.

- 3.15 Local authorities are expected to develop its Investment Plan in conjunction with local stakeholders.

4. THE LOCAL INVESTMENT PLAN

- 4.1 The investment plan will bring forward schemes across all three investment priorities in response to the priorities as set out in the Corporate Plan and recently published annual report. Sustainability will be a horizontal theme across all activity. The proposed activities are summarised in the table below.

Community and Place	
Pride of Place – Improving our town centres & public space and coastal heritage	£725,000
Healthy and Inclusive Communities	£100,000
Sub-total	£825,000
Business Support	
Business Support Package to: support start-up, growth and export, Help SMEs reduce their carbon footprint. Follow on project from the existing EDRF project.	£75,000
People and Skills	
Supporting residents with multiple barriers into work	£70,000
Workforce development – Green skills	£30,000
Sub-total	£100,000
Total	£1,000,000

- 4.2 A detailed breakdown of the issues to be addressed and the details of each themed project are contained in Appendix1. The fund is largely revenue based, a number of the projects will create a pipeline of projects that can be funded through a variety of alternative funding sources.

5. STAKEHOLDER ENGAGEMENT

- 5.1 Lead local authorities are tasked with working with local partners and stakeholders. In the development of the plan priorities. A proportionate approach has been adopted, engagement has included;
- A meeting with the newly formed New Forest Partnership Board
 - A meeting with each of the Local MP's
 - Engagement with local community representative groups and business representative groups
- 5.2 Feedback from the New Forest Partnership Board and both MP's has been positive. Minor changes have been made to proposed projects to reflect detailed comments made through the engagement process.
- 5.3 It was acknowledged that whilst the Council was keen to see a multiplier effect through alignment and support from partner organisations, the fund is not structured as a formal 'match-funding' programme. It has also been clarified to partners and stakeholders that the Council would not be developing a bidding process, but a commissioning approach. The Council welcomes further understanding from partners the role they might play in delivery of the programme.

6. GOVERNANCE AND PERFORMANCE MONITORING

- 6.1 The New Forest District Council is the accountable body for the UKSP Fund, with responsibility for the financial spend and the monitoring of the proposed outputs and outcomes.
- 6.2 An agreed Memorandum of Understanding with Government will set out the milestones, expectations, and timescales, with a progress report to government required every six months.
- 6.3 The Future New Forest Partnership Board, (Local Partnership Group), will continue to provide advice on strategic fit and deliverability, taking care to avoid conflicts of interest. This will ensure that Fund investments complement other activities in the area and meets Fund and local objectives.

7. CONCLUSION

- 7.1 This report provides an overview of the programme of support the Council will take forward working collaboratively with partners to deliver on the ambitions set by Government under its flagship Levelling Up agenda. The UK Shared Prosperity Fund allocation will add value to existing programmes and initiatives and maximise opportunities to improve the physical and cultural fabric of the District whilst preserving the natural habitat and supporting the area to transition to a low carbon future.
- 7.2 The investment plan is informed by and will support wider strategic objectives and enable the Council to capitalise on the development of the Freeport as it comes on stream.

8. FINANCIAL IMPLICATIONS

- 8.1 Careful consideration will be needed as programmes are developed to ensure that there are no on-going costs associated after project delivery. A pipeline of projects will be developed, and funding of future projects may come from a range of sources.
- 8.2 Resources to deliver the programme will be included within the project costs or covered within the 4% administrative element of the fund.

9. ENVIRONMENTAL IMPLICATIONS

- 9.1 Addressing sustainability and developing activity which directly supports the Climate Change and Nature Emergency is a key feature across all three priority investment plans.

10. CRIME AND DISORDER IMPLICATIONS

- 10.1 Actions to improve the public realm, and address social exclusion are anticipated to have positive impact on crime and disorder, improving public perceptions around safety and foster pride in neighbourhoods.

11. EQUALITY AND DIVERSITY IMPLICATIONS

- 11.1 The UK Shared Prosperity Fund schemes are intended to improve life chances of all residents, increasing accessibility to services, fostering a pride of place and strengthening social cohesion. Within this context particular attention is given to those most vulnerable to remove barriers to participation both economically and socially.

12. PORTFOLIO HOLDER COMMENTS

- 12.1 I welcome the opportunity provided by the Government to propose an investment prospectus to secure the allocation of £1m to the District from the UK Shared Prosperity Fund. This fund enables us to consider where we can strengthen our communities through investment in activities that enhance physical, cultural and social ties and amenities, such as community infrastructure and local green space, and cultural and activity focused projects. It also enables us to add to the business support and skills provision across the District, with a focus on ensuring the wider offer is relevant and accessible to our residents and businesses.
- 12.2 I have been pleased to see the support from our MPs and local partners and we look forwards to working together collaboratively as we develop the programme following Government approval of our Investment Plan.

For further information contact:

Background Papers:

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